IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

Income Tax Appeal No. 1065 of 2000

The Commissioner of Income Tax, Thane .. Appellant
V/s.
The Pen Co-op. Urban Bank Ltd., Raigad .. Respondent

Dr. P. Daniel with Mr. G. Hariharan for the Appellant
Ms. A. Khan i/b. Mr. V.B. Joshi for the Respondent

CORAM : S. RADHAKRISHNAN &
J.H. BHATIA, JJ.
DATED : 12.07.2005.

P.C.:-

1. Heard the learned counsel for the Appellant and the learned counsel for the Respondent. In the above, the following substantial question of law is sought to be raised:-

> "Whether on the facts and in the circumstances of the case and in law, the Tribunal was justified in holding that the interest on Securities arising/accruing to the assessee is not liable to tax under the provisions of Interest Tax Act, 1974?"

2. Both the learned counsel for the Appellant and the Respondent very fairly state that the above question of law has already been considered by a Division Bench of our High Court in **Commissioner of Income Tax v. United Western Bank Ltd. (2003) 259 ITR 312,** which has answered the question in favour of the assessee in the affirmative.

3. Under the aforesaid facts and circumstances, the above question is answered in the affirmative in favour of the assessee and against the Revenue. Appeal stands disposed of, however, with no order as to costs.

(S. RADHAKRISHNAN, J.)

(J.H. BHATIA, J.)